



471441

STATE OF MICHIGAN

MICHIGAN DEPARTMENT OF NATURAL RESOURCES

IN THE MATTER OF:

UNION STEEL PRODUCTS, INC.
500 North Berrien
Albion, Michigan 49224

No: 1992-3

The Deposition of DAVID H.

DELGER was taken before J. Renae Bradley,
CSR-3927, Notary Public in and for the County
of Ingham, on Monday, April 6, 1992, at Knapps
Office Center, 300 South Washington, Suite
530, Lansing, Michigan, commencing at or about
10:30 a.m.

APPEARANCES:

DEPARTMENT OF ATTORNEY GENERAL
BY: JEREMY M. FIRESTONE, J.D. (P41404)
Assistant Attorney General
Environmental Protection Division - Knapps
Post Office Box 30212
Lansing, Michigan 48909 517/373-1110

Appearing on behalf of Attorney
General Frank J. Kelley.

1 ALSO PRESENT:

2 Liane J. Shekter Smith,
Michigan Department of Natural Resources.

3 Philip L. Schrantz,
4 Michigan Department of Natural Resources.

5
6 * * * *

7
8 INDEX TO EXAMINATION

9 WITNESS: DAVID H. DELGER

10 Examination by Mr. Firestone Page 3

11
12 * * * *

13
14 INDEX TO EXHIBITS

15 Deposition Exhibit No. 1 Page 5

16
17
18
19
20
21
22
23
24
25
DOLMAN & ASSOCIATES, INC.

P.O. Box 26125 - Lansing, Michigan 48909
(517) 393-1668

Lansing, Michigan

Monday, April 6, 1992

10:29 a.m.

R E C O R D

DAVID H. DELGER,

having first been duly sworn by the Notary
Public to tell the truth, the whole truth, and
nothing but the truth, testified as follows:

EXAMINATION

BY MR. FIRESTONE:

Q. Can you please state your full name for the
record?

A. David H. Delger.

Q. And that's D-e-l-g-e-r?

A. That's correct.

Q. Good morning, Mr. Delger. I'm Jeremy
Firestone. I'm an Assistant Attorney General
of the State of Michigan. I'm here to ask you
some questions about Union Steel Products'
operations in a facility in Albion, Michigan,
on 500 North Berrien. Are you generally
familiar with that facility?

A. Yes, I am.

Q. That facility, is that also referred to as
Plant 1?

1 A. Referred to as Plant 1, that's correct.

2 Q. Have you ever had your deposition taken
3 before?

4 A. Yes. Not anything to do with this.

5 Q. Okay.

6 A. I've had it taken before in regard to a
7 lawsuit on age discrimination years ago.

8 Q. Have you ever testified at trial?

9 A. Yes, I have.

10 Q. And what was --

11 A. That was also for age discrimination in a
12 workmen's comp case.

13 Q. I'm just basically going to be asking you a
14 series of questions. The court reporter here
15 will be taking down everything that we have to
16 say. She can only take down one of us at a
17 time.

18 So if we let each other -- if
19 you let me finish my questions, and then you
20 can finish your answer, she'll be able to do
21 her job, and we'll also get a clearer
22 transcript.

23 A. Fine.

24 Q. I'm not here today to attempt to harass or
25 intimidate you. We're only here to get some

1 information.

2 If at any point in time any of
3 my questions seem out of line to you, tell me
4 and I'll try and redirect my conduct. Because
5 we're just here to, like I said, to get some
6 information.

7 Also, the court reporter can't
8 take down if you shake your head or nod your
9 head.

10 A. Okay.

11 Q. She can only take down words. So yes or no,
12 if that's what you mean.

13 A. Fine.

14 (Whereupon, document
15 marked as Exhibit No. 1.)

16 Q. (BY MR. FIRESTONE, CONTINUING) I'm handing
17 you what's been marked as Deposition Exhibit
18 1. Can you identify that for the record,
19 please?

20 A. Yes, I can.

21 Q. Could you briefly describe what it is?

22 A. It's a subpoena to appear before you, at 300
23 South Washington Street . . .

24 Q. It's basically your subpoena to --

25 A. Correct.

- 1 Q. -- appear here.
- 2 A. That's right.
- 3 Q. If you could look at Page 3 of Exhibit 1, you
4 were requested to produce some documents
5 today. Did you bring any documents with you?
- 6 A. I have no documents in regard to the purchase,
7 they're not in my hands. Those would be in
8 Mr. Carsten's hands. I do not own them, I do
9 not have them.
- 10 Q. Okay. So you did not bring them with you
11 today.
- 12 A. No, sir, I did not.
- 13 Q. Okay. Could you tell me a little bit about
14 your educational background, sir?
- 15 A. Well, I attended Albion College, University of
16 Detroit, University of Toledo, completed
17 approximately three years, never finishing
18 with my degree, industrial engineering. I've
19 taken many special courses, industrial
20 courses, et cetera.
- 21 Q. When did you last attend any of those three
22 colleges?
- 23 A. I believe it was about 1958.
- 24 Q. And how old are you, sir?
- 25 A. I'm -- I will be 57 in August.

- 1 Q. And what's your present address?
- 2 A. 2721 Country Club Way, Albion, Michigan,
- 3 49224.
- 4 Q. Prior to attending college, did you have any
- 5 employment?
- 6 A. Taught sports at summer camp. Grocery stores.
- 7 Q. What was your first job after you -- beginning
- 8 in 1958?
- 9 A. First job was when I came out of the service,
- 10 which would have been in 1955. I worked at
- 11 Auto Light (phonetically) in Toledo, Ohio, as
- 12 an accountant.
- 13 Q. That was before you went to the service?
- 14 A. After I came out of the service.
- 15 Q. After you came out of the service.
- 16 A. Correct.
- 17 Q. And how long did you work for Auto Light?
- 18 A. For roughly six months, and then started as a
- 19 trainee foreman at Toledo Stamping while I was
- 20 still going to school nights.
- 21 Q. Training foreman at Toledo Stamping.
- 22 A. Toledo Stamping.
- 23 Q. And how long did you work at Toldeo Stamping?
- 24 A. Approximately six years.
- 25 Q. And you would have left, then, in --

- 1 A. '61, '62.
- 2 Q. '61, '62. Did your job responsibilities
3 change at all over the six years?
- 4 A. Oh, yes. I started as a trainee foreman, went
5 to foreman, went to plant superindent, went
6 into the industrial engineering department.
- 7 Q. And what exactly -- what was the nature of
8 Toledo Stamping's --
- 9 A. They made stampings for automotive, aviation
10 companies, all type of small and large -- a
11 stamping plant.
- 12 Q. So essentially, you worked up through the
13 ranks of this corporation.
- 14 A. Yes, sir.
- 15 Q. How large a company was it? How many people
16 were employed at this plant?
- 17 A. A hundred and fifty, two hundred, somewhere in
18 that range.
- 19 Q. And what did you do next after you left Toledo
20 Stamping?
- 21 A. I left to go with American Warming and
22 Ventilating as vice-president of
23 manufacturing.
- 24 Q. And where were they based?
- 25 A. They were also in Toledo, Ohio.

- 1 Q. And what types of products did they produce?
- 2 A. Louvers, dampers for your homes, for
- 3 industrial plants, penthouses,
- 4 air-conditioning units, sheet metal type work.
- 5 Q. And how long did you stay at American Warming
- 6 and Ventilating?
- 7 A. Three years.
- 8 Q. And what did you do next?
- 9 A. Then I went to Tranner Manufacturing
- 10 (phonetically), in Lansing, Michigan.
- 11 Q. And what did Tranner Manufacturing --
- 12 A. They made baseboard heating for Sears, large
- 13 transformer radiators, pressure vessels for
- 14 the -- industrial use.
- 15 Q. And what was your position with Tranner
- 16 Manufacturing?
- 17 A. I started off as industrial engineer, and
- 18 ended up plant superintendent in charge of
- 19 sales coordination between manufacturing and
- 20 sales.
- 21 Q. How big an operation was American Warming
- 22 and --
- 23 A. Very small. That was roughly 35 people.
- 24 Q. And how about Tranner Manufacturing?
- 25 A. Tranner had around 350.

- 1 Q. And how long were you at Tranner
2 Manufacturing?
- 3 A. Around five years, I think. I'm tying this
4 all together.
- 5 Q. Yeah. And what did you do in about 1970 or
6 so?
- 7 A. Then I went back to Toledo and worked at Baron
8 Steel Corporation (phonetically) in Toledo.
- 9 Q. And what did you do for Baron Steel?
- 10 A. Started there as a foreman, ended up -- I
11 guess you'd call it plant superintendent.
- 12 Q. And what types of products did Baron Steel --
- 13 A. Made steel -- cold drawn steel products.
- 14 Q. And how long were you at Baron Steel?
- 15 A. Through '79.
- 16 Q. And what was your next position?
- 17 A. At Union Steel.
- 18 Q. And who was Union Steel owned by?
- 19 A. They were owned by Eagle-Picher Corporation.
- 20 Q. Do you recall who hired you at Eagle-Picher?
- 21 A. Yes. Mr. John Kamakien, with Mr. Orr having
22 the final say.
- 23 Q. Is that Robert Orr?
- 24 A. Yes.
- 25 Q. And what was your first position with Union

- 1 Steel Products?
- 2 A. Manufacturing manager.
- 3 Q. And where were you based?
- 4 A. In Albion, in Plant 4.
- 5 Q. Is Plant 4 at 509 North --
- 6 A. 509 North Albion, yes.
- 7 Q. Okay. And how long were you manufacturing
- 8 manager for Plant 4?
- 9 A. Let's see. A little over a year. They were
- 10 having trouble in Plant 1, which is now 500
- 11 North Berrien.
- 12 Q. Right.
- 13 A. Mr. Orr requested that they move me over there
- 14 to straighten their problems out in Plant 1.
- 15 So I was with Plant 4 for a year, and then
- 16 over to Plant 1 for roughly a year before the
- 17 company was sold.
- 18 Q. And Mr. Orr requested who?
- 19 A. Myself -- they took me away from Kamakien, and
- 20 moved me over to Plant 1 to put me in another
- 21 division. Which at that time, Union Steel was
- 22 divisionalized. They had three separate
- 23 divisions; three separate corporate officers
- 24 and three sets of managers.
- 25 Q. And what were the divisions?

- 1 A. Material handing division, which would be
2 Plant 4. That would be 509 North Albion.
- 3 Q. And Mr. Kamakien would have been in charge of
4 that?
- 5 A. He was the general manager of that, correct.
- 6 Q. Okay.
- 7 A. And you had a fab metal division, which was
8 run by Mr. Mitchell.
- 9 Q. That would be Robert Mitchell?
- 10 A. Robert Mitchell. And he had Plants 2 and 3.
- 11 Q. And Plants 2 and 3 would have been 501 North
12 Berrien and 403 North Monroe?
- 13 A. I believe that's correct, yes.
- 14 Q. Okay. And how about --
- 15 A. Then there was a wire products division, which
16 was run by Mr. Ron Stewart. And that was at
17 500 North Berrien.
- 18 Q. Did you ever work at a plant in Elkhart,
19 Indiana?
- 20 A. Yeah. That's when I was under the material
21 handling, manufacturing manager for the Plant
22 4. They also had stoves that they were making
23 in Albion, and they made stoves in Indiana.
24 And I was running the Indiana, besides the one
25 in Albion. So I'd be driving back and forth

- 1 and overseeing both of them.
- 2 Q. Did Union Steel have any operations in
- 3 Kentucky at that time?
- 4 A. Yes. That was under the wire division.
- 5 Q. That would have been in Collice
- 6 (phonetically), Kentucky?
- 7 A. No. It would be in Elizabethtown, Kentucky.
- 8 Q. And that would have been under Mr. Stewart's
- 9 direction.
- 10 A. Correct. I believe I made one trip down there
- 11 during that time.
- 12 Q. What were the nature of your responsibilities
- 13 when you worked for Mr. Kamakien in Plant 4?
- 14 A. In charge of all manufacturing, labor
- 15 relations.
- 16 Q. And what was Mr. Kamakien's role, vis-a-vis
- 17 you?
- 18 A. Pardon?
- 19 Q. He was a corporate officer?
- 20 A. No. He was what was called a general manager
- 21 of that division.
- 22 Q. So you would have reported to Mr. Kamakien.
- 23 A. Correct.
- 24 Q. And then when you went to work in Plant 1, you
- 25 would have reported to Mr. Stewart.

- 1 A. That is correct.
- 2 Q. And what were the nature of your
3 responsibilities during this approximately
4 one-year time period prior to the sale by
5 Eagle-Picher?
- 6 A. That was in Plant 1.
- 7 Q. That's right.
- 8 A. That would be the same. I was in charge of
9 labor relations and manufacturing.
- 10 Q. And what did it entail to be in charge of
11 labor relations?
- 12 A. Handle the grievances, deal with any problems
13 we might be having with the union or the
14 hourly people. Being in charge of basic work
15 rules in the system. We didn't have a
16 contract at that time, so I wasn't involved in
17 it. That would be basically what it involved.
- 18 Q. There was no union contract?
- 19 A. Yes, there was. But I did not have to
20 negotiate it -- excuse me -- at that time,
21 because we weren't in negotiations. Normally,
22 I would have. But during that period, I --
23 there was no contract. So it would just be
24 handling grievances and any problems that
25 would occur, keeping the people happy and

1 motivated.

2 Q. Do you know what union the workers belonged
3 to?

4 A. Yes, the Teamsters.

5 Q. And the present corporation of Union Steel,
6 it's --

7 A. The Teamsters.

8 Q. It's also the Teamsters.

9 A. Correct.

10 Q. And what were your responsibilities in regard
11 to manufacturing?

12 A. Control the scheduling of the plant, make sure
13 that the orders were processed properly.

14 Charge of industrial engineering, the methods
15 by which the jobs would be run; should it run
16 on automatic, should it run on a manual
17 machine. Just the normal type manufacturing
18 operation.

19 Q. Okay. Did you have any responsibilities at
20 that time in Plant 1 for waste handling, waste
21 disposal?

22 A. Yes, I did, from an overall view of it. That
23 was mainly dictated by company policy. I had
24 a foreman that was in charge of the plating
25 department, they disposed of it. I think at

1 that time, Ted Lutzke, I can't remember if he
2 was -- no, he was let go before I came. I
3 can't remember the gentleman's name, but he
4 was in charge of it.

5 And they had a set procedure
6 that was outlined that disposed of, and we
7 were monitored regularly by the state and by
8 the DNR. So yes, I had to make sure that that
9 was complied with.

10 Q. Have you heard of a woman named Jenny Pike
11 (phonetically)?

12 A. Yes.

13 Q. And what was Ms. Pike's function?

14 A. She was the chemist. At that time, I
15 believe -- now there again, this is not my
16 strong suit when it comes to all this. But
17 you had to have a licensed chemist if you had
18 a plating facility. And she had to do the
19 testing to make sure that everything was
20 tested properly, that we were complying to all
21 the federal regulations. I believe that was
22 her function.

23 Q. You testified earlier that approximately one
24 year after you went to work in the wire
25 division, that Eagle-Picher sold the Union

1 Steel Products operation. Is that correct?

2 A. That is correct, yes.

3 Q. Do you know who purchased the operations at
4 that time?

5 A. Yes, I do.

6 Q. And who would that be?

7 A. Mr. John Kamakien and Mr. Robert Mitchell.

8 Q. And did you go to work for Mr. Kamakien and
9 Mr. Mitchell?

10 A. Yes, I did.

11 Q. And did your job responsibilities change upon
12 the purchase?

13 A. Considerably.

14 Q. And how did your job responsibilities change?

15 A. Well, when Mr. Mitchell and Mr. Kamakien -- it
16 was an asset sale again, so basically, all
17 salaried people were fired. They rehired. We
18 were no longer divisionalized, we were one
19 company.

20 So instead of having three
21 separate divisions, we now had one company.
22 So instead of three sets of people, you now
23 had one person in charge of the entire
24 operation. That's basically how it changed,
25 just a heck of a lot more work.

- 1 Q. So all salaried persons were fired when the
2 company was sold and --
- 3 A. Correct.
- 4 Q. This would have been around 1982 or so?
- 5 A. 1982 is correct, yes.
- 6 Q. And then they were rehired.
- 7 A. Correct. Not all of them. We went from 125
8 down to 40, I believe.
- 9 Q. Do you know why there was this big decrease in
10 the number of employees?
- 11 A. As I said, you were carrying three sets of
12 officers, three sets of office staff for a
13 company that there was no need in God's green
14 earth why you had that many people. You had
15 literally people sitting around doing nothing.
- 16 Q. Were you a salaried employee with
17 Eagle-Picher?
- 18 A. Yes, sir.
- 19 Q. So you were not fired and then rehired, you
20 were just retained.
- 21 A. No. We were all terminated.
- 22 Q. Okay. Whether you were salaried or hourly,
23 you were all --
- 24 A. Hourly were not discharged.
- 25 Q. Okay.

- 1 A. They had to assume the contract with the union
2 as part of the sale. So the union or hourly
3 people continued.
- 4 Q. Okay. The salaried people were discharged,
5 then.
- 6 A. Correct.
- 7 Q. And you were rehired.
- 8 A. Yes, sir.
- 9 Q. And what was your position when you were
10 rehired?
- 11 A. Vice-president of manufacturing.
- 12 Q. And what were your job responsibilities as
13 vice-president of manufacturing?
- 14 A. All manufacturing, all labor relations, and
15 engineering.
- 16 Q. So essentially, prior to this you were doing
17 manufacturing and labor relations for one
18 division; you were now doing, because the
19 divisions had been combined, you did
20 manufacturing and labor relations essentially
21 for what used to be all three, you were doing
22 it for the whole company.
- 23 A. That's correct.
- 24 Q. And you also then had some responsibilities in
25 regard to engineering?

- 1 A. Yes.
- 2 Q. And what did those entail?
- 3 A. Working with industrial engineering with
4 methods, plant layout, trying to consolidate
5 and make it a more efficient operation.
- 6 Q. And who did you report to while you were
7 vice-president of manufacturing?
- 8 A. I reported to Mr. Mitchell, who was the
9 president.
- 10 Q. And what was Mr. Kamakien's position at that
11 time?
- 12 A. Mr. Kamakien was executive vice-president.
- 13 Q. What were Mr. Kamakien's responsibilities in
14 regard to the plants in Albion?
- 15 A. Mr. Kamakien was in charge of sales and
16 accounting.
- 17 Q. Did Mr. Kamakien have any responsibility in
18 regard to the Elkhart, Indiana plant?
- 19 A. We no longer owned the Elkhart, Indiana
20 plant. Mr. Kamakien and Mr. Mitchell did
21 not . . .
- 22 Q. Purchase it?
- 23 A. Purchase it. It was terminated under the
24 Eagle-Picher Corporation.
- 25 Q. And what about the Elizabethtown, Kentucky

1 plant?

2 A. Yes, that was still owned till 1985, I
3 believe. '85, '86, somewhere in there.

4 Q. And did Mr. Kamakien have any responsibilities
5 in regard to the Kentucky plant?

6 A. Yes, had total responsibility for it.

7 Q. And what were Mr. Mitchell's responsibilities
8 in regard to the Albion plants?

9 A. Mr. Mitchell was basically in charge of
10 manufacturing, worked on the computer.
11 Everything was sort of divided up where
12 everything overlapped. It's hard to explain
13 how we operated. Because everybody had one,
14 but we were so small, there were only five of
15 us, that we just all overlapped in
16 responsibility.

17 Q. Other than yourself, Mr. Mitchell and Mr.
18 Kamakien, who were the other two of the five?

19 A. There was a Mr. Gilford.

20 Q. And what was Mr Gilford's first name?

21 A. This sounds stupid, but I can't remember. He
22 passed away.

23 Q. And what were Mr. Gilford's responsibilities?

24 A. He was vice-president of sales.

25 Q. And how about the fifth person?

- 1 A. There was a William Bitzer, and he was the
2 controller. I told you a fib; there was six
3 of us.
- 4 Q. Okay.
- 5 A. There was Richard Horodecki. He was in charge
6 of purchasing.
- 7 Q. But yourself and Mr. Mitchell would have
8 generally been in charge of the manufacturing
9 in Albion.
- 10 A. That's correct.
- 11 Q. Do you know where Mr. Mitchell presently
12 lives?
- 13 A. When Mr. Kamakien bought him out, no one's
14 heard or seen of him. I haven't the foggiest
15 notion where he would be.
- 16 Q. Do you know why Mr. Mitchell left the
17 corporation?
- 18 A. I would be speculating. It would not be fair
19 to say.
- 20 Q. It didn't have anything to do with waste
21 handling practices?
- 22 A. No, no. It was personal problems with Mr.
23 Mitchell and Mr. Kamakien, and Mr. Mitchell
24 found a way to make a heck of a lot of money
25 and get out, and he was smart.

1 Q. Okay. Do you know when Mr. Mitchell got smart
2 and got out?

3 A. It was when we sold the Elizabethtown plant.
4 I think that was it, where they finally had
5 enough money that he could get his portion out
6 and leave. So it had to be -- there again,
7 it's '85, somewhere in that area.

8 Q. Okay. Did your responsibilities change when
9 Mr. Mitchell left in '85, '86?

10 A. Yes. I was made president of the company.

11 Q. Backing up for a moment, when you were
12 vice-president in charge of manufacturing,
13 what were your responsibilities in regard to
14 waste disposal practices?

15 A. It would be the same as before. I -- at that
16 time, we had a gentleman named Vaud Pickens,
17 who we'd contracted out to run our plating
18 department for us. And he ran the plating
19 department, he was paid so much for the parts
20 that he'd run for us. So Mr. Pickens
21 basically had the control of -- and that's
22 when Mr. Lutzke joined the company, and he
23 worked for Mr. Pickens.

24 Q. Do you know who paid Mr. Lutzke?

25 A. Who paid him?

1 Q. Yes, whether it was Union Steel or Mr.
2 Pickens?

3 A. I really do not know.

4 Q. Okay.

5 A. I assume it would be -- there again, I don't
6 know.

7 Q. Okay. How come Union Steel decided to
8 contract out to Mr. Pickens?

9 A. Very simple. There was none of us bright
10 enough to know enough about plating to do the
11 job properly. I sure didn't. And since I
12 don't know something, I tell people I don't
13 know it, and get somebody that does. And I
14 knew nothing about plating.

15 Q. Do you know what Mr. Lutzke's role in the
16 company was when he came back with Mr.
17 Pickens?

18 A. Yes. He basically ran the plating department
19 for Mr. Pickens, as the foreman. He was in
20 charge of basically everything in the plating
21 department.

22 Q. What about the waste treatment plant?

23 A. I believe between he and Mr. Pickens, they
24 made sure that they complied. I believe at
25 that time -- and there again, I think this is

1 true -- that Ted was grandfathered to replace
2 the same thing that that woman's name you
3 mentioned before, Pike.

4 Q. Pike?

5 A. Yes.

6 Q. Jenny Pike?

7 A. Jenny Pike. And Ted performed the test, and
8 he was coordinated each -- how often your man
9 from Jackson would come in to make sure that
10 we were in compliance, and make sure all the
11 reports were filled out properly, and made
12 sure that the department was run safely and
13 according to law.

14 Q. Have you ever heard of a gentleman named
15 Robert Dinnini (phonetically)?

16 A. Dinnini?

17 Q. Dinnini.

18 A. Yes. He was on a consulting basis from us
19 from Albion College. If we had different
20 testing, I believe Mr. Dinnini would do the
21 testing to make sure that everything was
22 copasetic with the state.

23 Q. He helped you on environmental compliance?

24 A. Correct.

25 Q. And with the present corporation, Mr. Carsten,

- 1 does Mr. Dinnini have any responsibilities?
- 2 A. We have no plating facilities.
- 3 Q. Okay. So how did your responsibilities
- 4 change when you became president of the
- 5 company in '85, '86?
- 6 A. Not an awful lot. I mean, the only difference
- 7 is Mitchell was no longer there. So I didn't
- 8 go to him, I worked much closer with Mr.
- 9 Kamakien, who became chairman at that time.
- 10 But it was still the same duties I had been
- 11 doing right along.
- 12 Q. Did you ever become a director of the
- 13 corporation?
- 14 A. Yes, after -- at this time we bought in, got a
- 15 small percentage of it. And yes, I was made a
- 16 director of the corporation.
- 17 Q. When you say "we bought in" --
- 18 A. With Mr. Althaver and myself. That was right
- 19 after Mr. Mitchell left.
- 20 Q. And what was Mr. Althaver's --
- 21 A. He replaced Mr. Bitzer as controller. And he
- 22 was later to become vice-president of finance,
- 23 or some kind of vice-president.
- 24 Q. What do you do as a controller?
- 25 A. Well, in our company it's a little different

- 1 than most. Because we kept cutting people.
2 He was in charge of all purchasing, made sure
3 all the financial statements were made for the
4 bank, made sure all the taxes were done
5 properly. So it's basically control all your
6 finances, as well as control the purchasing.
- 7 Q. Okay. Did the corporation have regular board
8 meetings?
- 9 A. Yes, we did.
- 10 Q. At some point in time, the shareholders
11 decided to sell the business; is that correct?
- 12 A. Pardon me?
- 13 Q. At some point in time while you were a
14 shareholder, the shareholders decided to look
15 for a purchaser for the business?
- 16 A. Correct.
- 17 Q. And Mr. Carsten eventually purchased the
18 corporation?
- 19 A. That is correct.
- 20 Q. Were you involved in the sale of the
21 corporation?
- 22 A. Not directly, no.
- 23 Q. Who for Union Steel products would have been
24 the person who was in charge of the sale?
- 25 A. Mr. Kamakien.

1 Q. And Mr. Carsten, on the other end, would have
2 been the main person in charge --

3 A. Exactly, right.

4 Q. At some point in time while you were -- let's
5 back up. At some point in time, the plating
6 operations stopped in Plant 1?

7 A. The entire Plant 1 was shut down. We sold the
8 Elizabethtown, Kentucky plant to Hollis,
9 Incorporated (phonetically). At that time, we
10 totally got out of the refrigeration business
11 and shut down Plant 1. This would be -- there
12 again, it's in the '85, '86 period. And there
13 was no more plating done at that period, at
14 that time.

15 Q. So right around the same time period that Mr.
16 Mitchell left and you became --

17 A. That's why I --

18 Q. Is that correct?

19 A. Yes, that's correct.

20 Q. How come Union Steel got out of the plating
21 business?

22 A. First off, the refrigeration business is what
23 necessitated the plating business. And it was
24 a very competitive business, we were not
25 making money in it, wanted to get out of it

1 long before Mr. Kamakien agreed to get out of
2 it. And it was just not profitable.

3 We were able to sell it, get
4 out from underneath the Elizabethtown plant,
5 get out from underneath the liability, and
6 walk away with some decent money, and be
7 through with it.

8 Q. What other operations occurred in Plant 1
9 other than plating?

10 A. You had all your manufacturing for store
11 shelving. And this is what we were in the
12 process of doing, back using the same logic.
13 You didn't need officers for each plant, you
14 did not need the four plants. You had a lot
15 of floor space, a lot of things were being
16 duplicated.

17 So we moved all the presses and
18 the others, and combined them into Plant 2 and
19 Plant 4. So that eliminated that whole plant
20 and having to worry about the expenses of
21 keeping that plant up.

22 Q. What type of presses and machines did you
23 move?

24 A. We had automatic welding equipment, we had
25 hundred ton forming presses, bending

1 equipment, that type of . . .

2 Q. Did you have a machine shop?

3 A. Yes. We did not move that totally, we
4 combined that. We already had a machine shop
5 in Plant 4. We eliminated our tool and die
6 department, which we had a very sophisticated,
7 expensive tool and die department, and we
8 eliminated that totally.

9 Q. And the tool and die had also taken place in
10 Plant 1?

11 A. That's correct.

12 Q. And were the refrigerator shelves essentially
13 manufactured in Plant 1?

14 A. In its entirety.

15 Q. In its entirety.

16 A. Yes.

17 Q. So when you got out of the refrigerator
18 shelving business, you no longer had the
19 manufacturing operation.

20 A. That's correct. In other words, we had -- the
21 same equipment was used on different
22 products. But 90 percent of everything that
23 was done -- or I'll grab a figure out of the
24 air -- 80 to 90 percent was the refrigeration
25 business that was done in Plant 1. So once we

1 were out of that, we did not need all that
2 floor space.

3 Q. What was -- at the time you shut down the
4 plating operations, what type of activities
5 were being conducted in Plant 2?

6 A. Plant 2, you were doing bakery, you were doing
7 what we call doe troves (phonetically), we
8 were doing some work for Unisys -- at the time
9 it was Burroughs -- sheet metal type work.

10 Q. Had any bakery work been done in Plant 1?

11 A. It was moved back and forth. Some of it was
12 done on machines in Plant 1, and then it would
13 be transferred back over. So you had 20 miles
14 on a part before it was finished. So by
15 moving everything into one plant, you
16 eliminated all the material handling.

17 Q. And what about in Plant 3, again in the
18 mid '80s? What was --

19 A. Plant 3 was -- basically, 2 and 3 were
20 identical, except in 3, you had most of your
21 heavier press work for the fab metal division
22 was done in Plant 2 -- or Plant 3, I'm sorry.
23 They also ran -- we had painting that we did
24 in that plant, and a lot of very close
25 tolerance work for Burroughs or Unisys.

1 Q. And what about Plant 4?

2 A. Plant 4 was all material handling, pallet
3 containers, pallets, racks, that type of
4 thing.

5 Q. Who are you presently employed by?

6 A. Mr. Carsten, Union Steel.

7 Q. And what's your present position?

8 A. President.

9 Q. How have your job duties changed since you
10 became president of the present corporation?

11 A. Less people again. Now is myself and a
12 controller, and that's all we have, so . . .

13 Q. Less management.

14 A. Less -- less people to do the same thing,
15 so . . .

16 Q. And what's Mr. Carsten's role in the business?

17 A. Mr. Carsten is CEO. He basically comes over
18 and talks once a week, and gives the direction
19 we need, and looks at the financial statement,
20 and . . .

21 Q. You basically run the corporation on a
22 day-to-day basis. Is that an accurate
23 statement?

24 A. Yes.

25 Q. How many employees does Union Steel have?

- 1 A. We have roughly 108 in the factory, and we
2 have -- right around 150 between office and
3 salaried right now.
- 4 Q. At the time the corporation was sold, was
5 there a union contract in place?
- 6 A. Yes.
- 7 Q. And that same union contract is still ongoing?
- 8 A. That's correct.
- 9 Q. So these employees, again they weren't
10 discharged, they just -- the new company just
11 assumed the prior company's union contract
12 and --
- 13 A. Correct.
- 14 Q. Are different products manufactured in Plants
15 2, 3 and 4 than were manufactured prior to the
16 sale?
- 17 A. Currently, we're only operating in 2 and 4
18 now.
- 19 Q. You shut down operations in Plant 3?
- 20 A. Plant 3, we no longer have. Mr. Carsten never
21 purchased Plants 2 and 3. The only plant he
22 purchased was Plant 4. He leased Plants 2 and
23 3, had nothing to do with Plant 1. Now he is
24 no longer leasing Plant 3. The only thing
25 he's leasing is Plants 2 and 4.

1 Q. Who did he lease Plant 3 from?

2 A. I believe it was Kamakien, I believe. There
3 again, I don't know the true facts there.
4 That's why I say you -- that was between he
5 and Mr. Carsten.

6 Q. So your understanding of the sale was that
7 Plants 2 and 3 weren't included in the sale,
8 that they were buildings that were leased from
9 Union Steel Products.

10 A. That's correct.

11 Q. And he presently leases Plant 2?

12 A. Presently Plant 2, and then he owns Plant 4.

13 Q. Did he move the equipment from Plant 3 to the
14 other plants?

15 A. All manufacturing right now is in Plant 4,
16 other than one product that's being done in
17 Plant 2. Plant 2 is being used as a warehouse
18 and shipping facility. That's all.

19 Q. Again, do the products that are manufactured
20 by the company today differ from the products
21 that were manufactured, you know, back in
22 1988, '89?

23 A. The only difference is Mr. Carsten has
24 purchased new product lines for us, and he's
25 added additional product lines. So yes, we're

1 still making all the same, other than the
2 refrigeration. But we've added a lot of new
3 products, and that's why we've hired people
4 the last two years.

5 Q. Who is in charge of sales?

6 A. I am now.

7 Q. And you took on that position when the company
8 was bought by Mr. Carsten.

9 A. That's correct.

10 Q. Do you know, or does the present company have
11 essentially the same customers as the company
12 back in '88, '89?

13 A. Same customers. We've added a lot, because as
14 I say, we've added a lot of new product lines
15 which have given us a totally new concept in
16 marketing. We have different forms of
17 marketing than we had in that period of time.

18 Q. Do you know, did Mr. Carsten buy the name
19 Union Steel Products?

20 A. I can't answer the legalities of what they
21 did. I think he bought the right to use the
22 name. I would assume that's a normal
23 purchase, but I don't know.

24 Q. Do you know why Mr. Carsten decided to buy
25 Plants 2 and 3 rather than lease them -- I

1 mean, decided to lease them rather than buy
2 them?

3 A. Well, because of the intent of what he's doing
4 right now.

5 Q. Essentially consolidating --

6 A. Consolidate in one facility. He did not want
7 to be locked in with all these buildings that
8 he wouldn't need.

9 Q. Do you know why Mr. Carsten chose not to
10 purchase or lease Plant 1?

11 A. Because he's a smart man. There was no way he
12 wanted to ever be involved in any DNR problems
13 or anything else. Because they knew there was
14 a plating plant in there, and he didn't want
15 any part of it.

16 Q. Do you know if Mr. Carsten purchased any of
17 the equipment in Plant 1?

18 A. There was one large press I believe he
19 purchased. And since that time, I -- I don't
20 know if it's still there or not. It's a great
21 big thing. That was one. And I believe there
22 were also some tanks that he was assured were
23 emptied that were not emptied, and so . . .

24 Q. Do you know if he purchased the plating lines?

25 A. No, he did not.

- 1 Q. Do you know if he purchased any of the water
2 treatment --
- 3 A. No, he did not.
- 4 Q. Are you on the board of directors of the
5 present corporation?
- 6 A. No, I am not.
- 7 Q. Are you a stockholder in the present
8 corporation?
- 9 A. No, I am not.
- 10 Q. Do you know who is on the board of directors
11 of the present corporation?
- 12 A. I know two of them.
- 13 Q. And who are those two gentlemen?
- 14 A. Mr. Donald Carsten and Mr. Matt Carsten. And
15 there is a couple others that I do not know
16 off the top of my head. I've met them. One's
17 an attorney, and -- but I've never been to a
18 meeting with them, and I don't know them.
- 19 Q. Do you know what Mr. Matt Carsten's
20 relationship is to Donald Carsten?
- 21 A. It's his son.
- 22 Q. Have you ever heard of Daki, Inc.?
- 23 A. Yes.
- 24 Q. What is Daki, Inc., to your knowledge?
- 25 A. Daki, I believe, was a corporation that was

1 formed that -- I'm getting where I'm not that
2 clear on the legality or how it was handled.
3 That was who Carsten, I believe, bought Union
4 Steel from, was Daki.

5 Q. Do you have any role with Daki?

6 A. Yes.

7 Q. And what's your role with Daki?

8 A. Well, I rolled over, because of the money that
9 was to be paid to the sellers of Union Steel,
10 which was Daki. And that was my role in that.

11 Q. Do you presently have any role in Daki?

12 A. No.

13 Q. Are you a shareholder in Daki?

14 A. I guess. Yeah, I guess I still have stock in
15 that, yes.

16 Q. Daki hasn't been dissolved, to your
17 knowledge?

18 A. To my knowledge, no. I haven't heard the term
19 in -- since we supposedly got rid of Plant 1.
20 That's the last time I had anything to do with
21 it.

22 Q. You're not on the board of directors -- do you
23 know if you're still on the board of directors
24 of Daki?

25 A. If I am, we sure haven't done anything. Let's

1 put it that way. So . . .

2 Q. Were you involved in the sale of Plant 1?

3 A. Yes, I was.

4 Q. And what was your role in that sale?

5 A. Sign a piece of paper and agree to it.

6 Q. And Mr. Kamakien would have negotiated on

7 behalf of Daki?

8 A. Correct.

9 Q. Do you know who the plant was sold to?

10 A. I don't know what they call themselves. Frank

11 Kuprewicz and someone else, but I --

12 Q. Russell Moore?

13 A. Yes, those two, Russell Moore and Frank

14 Kuprewicz. I don't know what name they go by

15 or what they went by at that time. I get

16 confused with all the names.

17 Q. How many times have you been in Plant 1?

18 A. Since when?

19 Q. Ever.

20 A. Oh, my God.

21 Q. Many times.

22 A. Thousands.

23 Q. Thousands of times. What was the general

24 condition of Plant 1 when it was sold by

25 Eagle-Picher? First let's just talk about the

1 structure.

2 A. The structure?

3 Q. The building.

4 A. Always had leaks in the roof. The building
5 itself, a building that old, I imagine -- I
6 always thought I was in a dungeon, okay?

7 Q. Do you know if any waste materials were left
8 in the plant when Eagle-Picher sold the
9 corporation?

10 A. What do you mean waste materials?

11 Q. Were there drums of waste, 55 gallon drums?

12 A. I imagine you'd have the normal type that
13 would be there. I assume that was taken care
14 of in the sale. I mean, I . . .

15 Q. Taking apart, separating out what may have
16 been normally generated sort of on a
17 day-to-day or week-to-week basis, you didn't
18 see an unusual number of drums, you don't
19 recall an unusual number of drums when
20 Eagle-Picher sold the corporation.

21 A. The only thing I know when they sold, you had
22 a coal bin that was full of sludge, and a
23 bunch of other stuff. And they had the
24 liability to pay to clean it all up. That's
25 the only thing I recall. Because they

1 literally worked for months hauling that stuff
2 away.

3 Q. They hauled what stuff away?

4 A. At one time, they had sludge in what was
5 referred to as a coal bin, okay? And that's
6 before my time, but it was just full of
7 stuff. And they came in, and had dumpsters or
8 waste haulers come in and hauled it all away.
9 And that literally took months to do that.

10 And to my knowledge -- again,
11 this is just hearsay -- is they had the total
12 responsibility for cleaning up what was left
13 prior to the purchase.

14 Q. Do you know if there were acid wastes left
15 around?

16 A. You were still continuing to run, so, I
17 mean -- I don't know how to answer that
18 question. I'm sorry.

19 Q. When Plant 1 essentially shut down, when
20 operations ceased in the mid '80s, what was
21 done to close Plant 1?

22 A. What was done?

23 Q. I mean, were any of the processes
24 decommissioned, was waste taken out or -- I
25 mean, what happened?

1 A. I know John was trying to sell it.

2 Q. John Kamakien.

3 A. John Kamakien was trying to sell it. And I'd
4 say from the day that we said we weren't
5 moving it to when -- I mean going to use it
6 anymore until I got all the equipment out of
7 there, I know that they were still treating
8 the waste, and to my knowledge still hauling
9 away the stuff that was there to be
10 generated. And then still some of the stuff
11 is there, as we all know, but that's -- why, I
12 can't answer your question. I know it was
13 supposed to be taken care of. I thought it
14 was going to be taken care of.

15 Q. When the plant was closed down, who would have
16 overseen the shutting down of the plant?

17 A. That became Mr. Kamakien's responsibility.

18 Q. That wasn't your responsibility.

19 A. No.

20 Q. After the active operations, the manufacturing
21 and plating operations ceased in Plant 1, did
22 you have any other responsibilities in regard
23 to Plant 1?

24 A. That's where mine ended, so I had all of it as
25 it was running. As I moved all of the

1 equipment over, then that no longer became --
2 because there's nothing to be done there for
3 me. There was no manufacturing, there was no
4 people, and that was my job.

5 Q. Do you know if waste materials were
6 transferred into 55 gallon drums?

7 A. I remember that fiasco, yes.

8 Q. What do you mean by "that fiasco"?

9 A. That's when some stuff was moved from Plant 4
10 and was consolidated in -- everything into
11 Plant 1, which I can't recall the gentleman
12 from your office that was involved in that.
13 Carter. That's where he was very upset,

14 because of the fact that we had moved stuff
15 where we were not allowed to move it.

16 Q. You moved drummed wastes from Plant 4 and
17 stored them in Plant 1?

18 A. What they did is he thought that -- there
19 again, I don't know the reasoning behind it.
20 They tried to consolidate it and put it in one
21 facility. And that's when -- there again, I
22 should not say, because it's hearsay. That
23 would have to be Mr. Kamakien to say, because
24 he was involved in that.

25 I talked to Mr. Carter on it,

1 and he was very upset. I referred him to Mr.
2 Kamakien, and from there on, I had nothing to
3 do with it.

4 Q. Do you know what was done with any of the
5 waste that would have been associated with the
6 plating lines?

7 A. To my knowledge, it was hauled away, I
8 assume. I don't know.

9 Q. And what about any of the waste associated
10 with the tool and die operations?

11 A. That was all taken care of, there isn't any
12 waste from the tool and die operation. The
13 only thing you'd have there would be a few
14 drums of oil. And all those drums --
15 everything that was moved in there was cleaned
16 up, was moved properly, had the manifest to
17 it, all the drums that I was referring to.
18 And that was all resolved, and I believe
19 everything is fine in that respect.

20 Q. How many times have you been in Plant 1 since
21 it was shut down, since operations ceased in
22 the mid 1980s?

23 A. Well, I hate to confuse you, but we were going
24 to move again, so I rented part of Plant 1
25 from Kuprewicz and the other man. I stored in

1 Q. Prior to this recent lease of the premises,
2 had you been in Plant 1 between like '85, '86
3 when you say operations were shut down and
4 that time?

5 A. I was in there once to meet a gentleman to
6 see about selling that big press that Carsten
7 was -- or had purchased.

8 Q. But prior to Carsten's purchase -- from the
9 time when plating operations shut down and
10 other operations shut down in Plant 1 until
11 Carsten's purchase of Plant 1, you never went
12 into Plant 1.

13 A. Had no reason to. Now we're referring to
14 after the auction of the equipment and
15 everything, that's after everything was sold,
16 excess equipment? That's what you're
17 referring to, correct?

18 Q. Okay. Well, why don't you explain what you
19 mean by the auction.

20 A. Well, when we shut down Plant 1 and shut down
21 our refrigeration, we had excess equipment.
22 So we had an auction and sold off all of the
23 excess equipment in Plant 1. And that's when
24 it was officially closed, when we got rid of
25 the excess equipment.

- 1 Q. I'm just going to ask you about several
2 people, just ask you, one, if you recognize
3 them, and what their role may have been with
4 the various corporate entities. Did Mr. Orr
5 have any responsibilities after Eagle-Picher
6 sold Union Steel Products?
- 7 A. Not to my knowledge. I really wouldn't have
8 access to that. I don't know if he had
9 dealings with Mitchell and Kamakien or not.
10 So I was not at that level to answer that
11 question.
- 12 Q. Okay. And you know a gentleman named Ronald
13 Stewart?
- 14 A. Yes.
- 15 Q. And Mr. Stewart's job was, you said, manager
16 of the wire division?
- 17 A. He was vice-president and general manager of
18 the wire division.
- 19 Q. And that was while Eagle-Picher owned the
20 company?
- 21 A. That's correct.
- 22 Q. And did he have any role with the Union Steel
23 when Mr. Kamakien and Mr. Mitchell bought the
24 company?
- 25 A. To my knowledge, I'd say no. But I was not

- 1 privy to that information.
- 2 Q. Okay. How about Robert Urgo, U-r-g-o?
- 3 A. I don't know who Robert Urgo is.
- 4 Q. George Hendrickson?
- 5 A. I don't know who George Hendrickson is.
- 6 Q. Terry Adkins?
- 7 A. Terry Adkins was the foreman of the plating
- 8 department. And he left and went -- no. He
- 9 left when Eagle-Picher sold. I'm pretty sure
- 10 he did.
- 11 Q. Victor Burstein.
- 12 A. He was on the board of Union Steel.
- 13 Q. When you say Union Steel --
- 14 A. After Mitchell and Kamakien purchased it.
- 15 Q. Okay. Harry Gardner?
- 16 A. He was also on the board.
- 17 Q. Did he have any other positions?
- 18 A. He was also vice-president. No, what was he?
- 19 Q. Did he have any role in --
- 20 A. He was in charge of sales, of the bakery.
- 21 Q. Okay. James Hallock?
- 22 A. He was on the board.
- 23 Q. Wallace Shermer?
- 24 A. He was vice-president of sales.
- 25 Q. And with Union Steel?

- 1 A. With Union Steel after Eagle-Picher, yes.
- 2 Q. Richard Horodecki?
- 3 A. He was one that came on in charge of
- 4 purchasing.
- 5 Q. For Union Steel?
- 6 A. For Union Steel. Purchasing, and safety, and
- 7 those sort of things.
- 8 Q. Verne Plassman.
- 9 A. Not -- now you're getting into -- some of
- 10 those names are on the board prior to my going
- 11 on the board. And I believe Verne Plassman
- 12 was on the board. There again, I believe he
- 13 was on the board after Kamakien and Mitchell
- 14 bought it from Eagle-Picher.
- 15 Q. Frank Zinn.
- 16 A. I don't know who he is.
- 17 Q. James Burtch.
- 18 A. I don't know if he was on the board. Jim
- 19 worked at the bank there. He could have been
- 20 on the board for the company at that time.
- 21 Q. Do you know if there is any equipment in Plant
- 22 1 that's owned by the present Union Steel
- 23 Products?
- 24 A. I believe you asked me that. The only thing I
- 25 know of -- I don't know if that press is still

1 there or not. It's the one we were supposed
2 to sell. I don't know if the guy bought it,
3 or what happened. I don't think he did, so I
4 assume that it's still there.

5 Q. Do you know if any other equipment was
6 purchased and when it may have been removed by
7 Union Steel?

8 A. There was nothing. I don't believe Don wanted
9 any part of that. The only reason I say I
10 know about the big press is the fact that I
11 went over there to try to sell it to a guy.
12 Don wanted to be totally divorced from
13 plating, Mr. Carsten did.

14 Q. Is this Mr. Carsten's only business, as far as
15 you know?

16 A. Oh, no, he owns several businesses.

17 Q. What other businesses does he own?

18 A. Pullman Corporation, United Steel.

19 Q. Pullman?

20 A. Pullman. It's in Pullman, Michigan, and it's
21 a roll form corporation.

22 Q. What does that mean?

23 A. It makes roll form channels and different
24 things for the automotive industry.

25 MR. FIRESTONE: Let's take a

1 couple-minute break.

2 (Whereupon, a
3 break was taken.)

4 Q. (BY MR. FIRESTONE, CONTINUING) Are you
5 familiar with the offices that are attached to
6 500 North Berrien, Plant 1?

7 A. Yes. The big old office structure, the new
8 one?

9 Q. Yeah.

10 A. Or new for that time, yes. Okay.

11 Q. Did you ever have an office in that building?

12 A. No, I did not.

13 Q. Where did you have your first office?

14 A. My first office was in Plant 4. And my second
15 office was in Plant 1, on the second floor.

16 Q. The offices attached to Plant 1 were already
17 closed --

18 A. I was in the old -- no.

19 MR. SCHRANTZ: Office space in
20 the old part of the building?

21 THE WITNESS: Correct. You had
22 the new section that was added onto the old.
23 That -- I never had an office in that. Then
24 they had offices on the second floor of Plant
25 1. That's where my office was, up there.

- 1 Q. (BY MR. FIRESTONE, CONTINUING) When you
2 worked for Eagle-Picher, where were the main
3 offices of Union Steel Products?
- 4 A. You had the corporate offices that were in the
5 big new section. Then you had -- in Plant 4,
6 you had a complete set of offices. And then
7 in Plant 3 you had a set of offices, and in
8 Plant 1 you had a set of offices.
- 9 Q. Where were the corporate offices after John
10 Kamakien and Robert Mitchell bought --
- 11 A. We did not have a corporate office. We shut
12 down the main, and we split ourselves up in
13 Plant 4. I guess they would be in Plant 4.
14 That's where the majority of the people were.
- 15 Q. That became the mailing address of the
16 corporation?
- 17 A. Correct, 509 North Albion.
- 18 Q. Is that the present address of the
19 corporation?
- 20 A. Yes, sir.
- 21 Q. That's owned by Mr. Carsten?
- 22 A. That's correct.
- 23 Q. You indicated that there was a -- in the
24 corporate offices, there's Mr. Carsten,
25 yourself, and then a comptroller presently?

1 who was comptroller for Union Steel Products
2 when it was owned by Mr. Kamakien?

3 A. Yes.

4 Q. And do you know why Mr. Althaver left the
5 corporation?

6 A. Yes. When Mr. Carsten bought the company, he
7 retained both Mr. Althaver and myself. And
8 after approximately a year, it was felt that
9 it was too expensive to retain a man of that
10 caliber.

11 Q. Do you know where Mr. Althaver presently
12 works?

13 A. I believe he works at a company called Renco,
14 R-e-n-c-o, in Homer, Michigan.

15 Q. Do you know who the corporate officers were
16 immediately prior to the sale to Mr. Carsten?

17 A. Yes.

18 Q. And who would they have been?

19 A. Mr. Kamakien was chairman of the board, I was
20 vice-president -- I mean, I was president.
21 I'm sorry. Mr. Althaver was executive
22 vice-president. Mr. Shermer was
23 vice-president of sales.

24 Q. When Mr. Althaver came to work for the new
25 corporation, in addition to comptroller did he

- 1 have the title of executive vice-president?
- 2 A. Nothing was changed when Mr. Carsten -- he
- 3 kept us both with the same titles.
- 4 Q. And what happened to Mr. Shermer?
- 5 A. Mr. Shermer retired. He remained
- 6 approximately a year afterwards. He was
- 7 supposed to have retired, he was ready for
- 8 retirement.
- 9 Q. When you say he remained approximately a year
- 10 after, what do you mean?
- 11 A. After Mr. Carsten purchased, he remained on.
- 12 Q. For about a year.
- 13 A. Correct. I believe that was the time frame.
- 14 Q. And then after Mr. Shermer left, is that when
- 15 you took over sales?
- 16 A. No. Basically, when Mr. Kamakien left, Mr.
- 17 Kamakien was in charge of sales. Even though
- 18 we had a vice-president of sales, they
- 19 reported to Mr. Kamakien. And then when Mr.
- 20 Kamakien left, I was the only one there. So I
- 21 got that responsibility also.
- 22 Q. Just prior to the sale, who were the plant
- 23 managers for Union Steel Products, whoever
- 24 would have been at the next tier who would
- 25 have reported to you as president? You know,

1 I don't know if they were general manager,
2 whatever the title would have been.

3 A. Okay. It's going to confuse you, it confuses
4 us. I ran two plants with no one. They were
5 hourly people that reported directly to group
6 leaders. And I had a man named Gary Bushong.
7 He was like an overseer of the factory.

8 Q. And the factory is --

9 A. Plants 4, 2, and 3. It ended up as Plant 4
10 and 2.

11 Q. He oversaw the plants?

12 A. Plants. And Ted was still with us. I don't
13 know when Ted retired. He was like in charge
14 of my maintenance. And Gary also took over
15 the maintenance when Teddy retired. So
16 somewhere in that period of time when Mr.
17 Lutzke retired, Mr. Bushong took over the
18 maintenance also.

19 Q. So Mr. Bushong was essentially the plant
20 manager, and you were the president; is
21 that -- I'm just trying to . . .

22 A. Yeah. We called him plant superintendent.

23 Q. Okay. And were there foremen who were under
24 Mr. Bushong?

25 A. I had one foreman in all the plants, Mr. Don

- 1 Young.
- 2 Q. And would Mr. Young have reported to Mr.
- 3 Bushong, or yourself?
- 4 A. More to myself, yes.
- 5 Q. Okay. Did Mr. Bushong have a position with
- 6 the corporation when Mr. Carsten purchased it?
- 7 A. Yes. He was already working for us, and he
- 8 stayed on after Mr. Carsten purchased, yes.
- 9 Q. As plant superintendent?
- 10 A. Correct.
- 11 Q. And what about Don Young?
- 12 A. Don Young is still my general foreman.
- 13 Q. And who is your maintenance person?
- 14 A. Right now, I have a new man, because Mr.
- 15 Bushong is no longer with us. I have a
- 16 Mr. Martin Harris. He is now my plant
- 17 superintendent, and also in charge of
- 18 maintenance.
- 19 Q. You're familiar with the lawsuit between the
- 20 State of Michigan and Union Steel Products,
- 21 Inc., the prior Union Steel Products, Inc.?
- 22 A. Lawsuit on what? Excuse me.
- 23 Q. Regarding Plant 1.
- 24 A. Yes and no. I have never seen it, okay?
- 25 Q. You've heard that the company --

1 A. Kamakien said that we were, you know, that
2 we're being sued. We do not converse very
3 often.

4 Q. Do you know if it was the intent of the
5 shareholders and directors of the prior Union
6 Steel Products that was primarily owned by Mr.
7 Kamakien, was it the intent that money
8 retained by the -- and assets retained by the
9 corporation were going to be sufficient to
10 cover the environmental liabilities of Plant
11 1?

12 A. I don't know how to answer that particularly.
13 Because I did not think that other people were
14 aware of the liabilities that were there. I
15 only know of three people that had any
16 ownership. That would be Mr. Kamakien, Mr.
17 Althaver, and myself. And I do not believe
18 Mr. Althaver and I were aware of the
19 liabilities that were in existence there.

20 Q. You didn't have a full understanding of the
21 liabilities that existed.

22 A. No, I did not. And neither did Mr. Althaver.
23 Because some of the stuff is -- well . . .

24 Q. Do you know, as director, did you vote in
25 favor of the sale?

- 1 A. Of Plant 1?
- 2 Q. Of the corporation to Mr. Carsten.
- 3 A. Yes.
- 4 Q. But you're not sure that you knew or didn't
- 5 know while you were voting whether the money
- 6 that was retained by the corporation was going
- 7 to be sufficient to cover the environmental
- 8 liabilities.
- 9 A. No. In fact, we thought that was going to
- 10 become our money, okay? We thought it was
- 11 going to become Mr. Althaver's and myself.
- 12 Q. You thought you were going to make some money
- 13 on this deal.
- 14 A. Exactly, right. That's why the sale was
- 15 agreed to as such.
- 16 Q. What was Mr. Kamakien's or what is Mr.
- 17 Kamakien's role at the present corporation?
- 18 A. None. He's -- none whatsoever.
- 19 Q. And do you know if he ever signed a consulting
- 20 agreement with the present corporation?
- 21 A. I believe he did, yes.
- 22 Q. Do you know if he's been retained to do any
- 23 consulting?
- 24 A. To my knowledge, no. There again, Mr.
- 25 Carsten could be doing something with him, but

1 A. I don't know. I really couldn't say on that.
2 To my knowledge, it was to cover attorney
3 fees. What they involved, I haven't the
4 foggiest notion.

5 MR. FIRESTONE: I think that
6 will do it for today. If you want, you've got
7 a couple, two options. You can review your
8 deposition transcript, note any inaccuracies,
9 and then sign it. Or you can just have the
10 transcript as it is. The choice is yours.

11 THE WITNESS: I don't know. I
12 don't see any problem with it. What's the
13 normal procedure? You're the expert at this,
14 I'm not.

15 MR. FIRESTONE: Some people
16 waive signature, some people want to review
17 it. I mean, it's your choice. Neither
18 procedure is necessarily more normal than the
19 other.

20 THE WITNESS: I don't think
21 it's necessary.

22 MR. FIRESTONE: Okay.

23 (Whereupon, deposition
24 concluded at 12:02 p.m.)


25 (END OF RECORD)

1 STATE OF MICHIGAN)
2) SS:
3 COUNTY OF INGHAM)

4 I, J. Renae Bradley, a
5 Shorthand Reporter and Notary Public in and
6 for the above county and state, do hereby
7 certify that the foregoing scheduled
8 deposition was taken before me at the time and
9 place hereinbefore set forth.

10 I further certify that the
11 testimony then given was reported by me
12 stenographically, and subsequently transcribed
13 with computer-aided transcription, under my
14 direction and supervision; and that the
15 foregoing is a full, true and correct
16 transcript of my original shorthand notes.

17 IN TESTIMONY WHEREOF, I have
18 hereunto set my hand and notarial seal at
19 Lansing, Ingham County, Michigan, this 8th day
20 of April, 1992.

21 
22 _____
23 J. Renae Bradley (CSR-3927)
24 Notary Public in and for the
25 County of Ingham, State of Michigan.

My Commission Expires: 03/23/96